

8-1965

Farm Outlook

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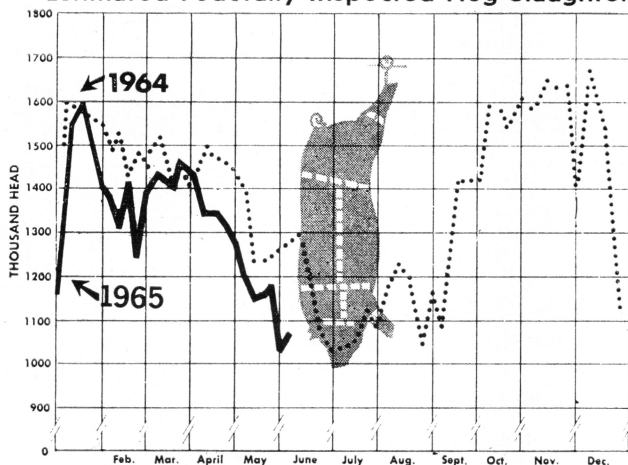
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Farm Outlook...

Estimated Federally Inspected Hog Slaughter



Iowa Farrowings
Below a Year Ago

December	+16%
January	- 8%
February	- 6%
March	+ 2%
April	-12%
May	-10%

Another useful guide for estimating future marketings is the number of hogs on farms by various weight groupings.

For example, hogs to be marketed in the later fall, August through November, are in the 120-179 weight group and the under the 120 pounds group.

The numbers of hogs on farms for 10 major hog-producing states are as follows:

Pigs on Farms June 1, 1965
(10 leading hog-producing states)

Weight Groupings	Number (000)
220 pounds and over	902
180-219 pounds	2,757
120-179	5,191
60-119	8,058

Weight Groupings	Below a Year Ago
220 pounds and over	-17%
180-219 pounds	- 9%
120-179	- 4%
60-119	- 9%
Under 60 pounds	-13%

HOGS . . .

The 1965 fall price outlook for hogs continues to be favorable. Hog prices this fall should average \$2 to \$3 above a year ago. This should put Interior Iowa prices in the \$18 to \$20 price range.

The preceding price estimate is based on the spring pig crop report of June 1, 1965. Three primary sets of statistics provide information for the price estimate: 1965 spring pig crop, intentions for the 1965 fall pig crop and the inventory of pigs on farms, June 1, 1965.

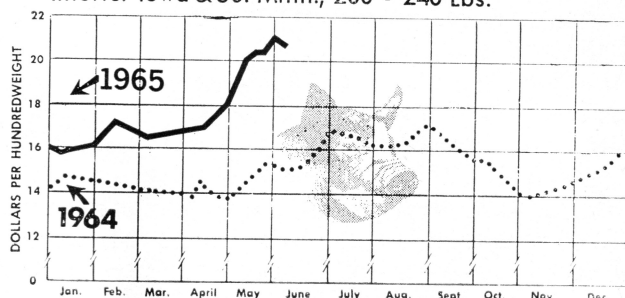
The June 1 pig crop report shows spring farrowings were down 10 percent from the similar period a year ago. The changes in monthly farrowings of the 10 leading hog feeding states are:

10 States Farrowings
Below a Year Ago

December (1964)	Same
January	-10%
February	- 9%
March	- 8%
April	-13%
May	-15%

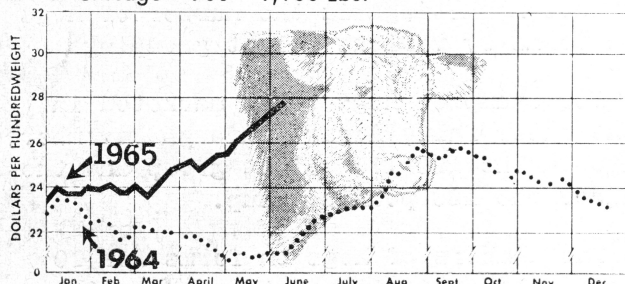
Examining the farrowing pattern, it appears that Iowa hog producers have responded differently to the price changes than have producers of the other leading hog states.

Weekly Average Price of Barrows and Gilts,
Interior Iowa & So. Minn., 200 - 240 Lbs.



Floyd Andre Director

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and Regulations.Weekly Average Prices of Choice Slaughter Steers
at Chicago - 900 - 1,100 Lbs.

Cattle and broiler marketings will increase seasonally, causing some downward pressure on hog prices this fall. Also, even though hog marketings will be below a year ago, seasonal increases in hog marketings will take place in the fall.

June hog prices have been higher this year than can be explained by the 13 percent decrease in marketing. Normally we would expect prices to be in the \$20 to \$22 price range. However, the decreased holding of storage stocks plus narrow wholesale-retail margins has added some buoyancy to hog prices. These factors cannot be expected to hold throughout the fall marketing period.

The present prospect for hogs later in 1965 and into 1966 also looks very favorable. According to the report of farmers' intentions to farrow, there should be an 8 percent reduction in fall farrowings. This should mean good hog prices well into 1966. By October, producers should begin to respond to the more favorable prices and start increasing farrowings.

As the producers hold back sows for another litter or hold back gilts for breeding purposes, they decrease the supply of pork expected to be marketed in a normal year. Therefore, slaughterings are less than they are from a normal crop.

Feeder Cattle . . .

Feeder cattle prices are moving up in response to higher slaughter prices. However, the relationship of heavy feeders to calves is not normal. Usually calf prices are above those of heavier feeders. But during May, June and part of July, 500-800 pound steers were above calves. If this type of relationship holds, calves may well prove to be a better alternative. Over the long run calves should bring a larger return.

The supply of feeders this year will be adequate, but good moisture prospects may keep them on the ranges longer than has been the case the last few years.

— Marvin Skadberg

Weekly Average Prices of Feeder Steers at 10 Markets

